

March Quarter & Fiscal Year 2015 Results



Disclaimer



This presentation contains forward-looking statements. These statements are made under the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as “will,” “expects,” “anticipates,” “future,” “intends,” “plans,” “believes,” “estimates,” “potential,” “continue,” “ongoing,” “targets” and similar statements. Among other things, statements that are not historical facts, including statements about Alibaba’s beliefs and expectations, the business outlook and quotations from management in this presentation, as well as Alibaba’s strategic and operational plans, are or contain forward-looking statements. Alibaba may also make written or oral forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission (the “SEC”), in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: Alibaba’s goals and strategies; Alibaba’s future business development; Alibaba’s ability to maintain the trusted status of its ecosystem, reputation and brand; Alibaba’s ability to retain or increase engagement of buyers, sellers and other participants in its ecosystem and enable new offerings; Alibaba’s ability to successfully monetize traffic on its mobile platform; risks associated with limitation or restriction of services provided by Alipay; risks associated with increased investments in Alibaba’s business; risks associated with acquisitions; privacy and regulatory concerns; competition; security breaches; the continued growth of the e-commerce market in China and globally; and fluctuations in general economic and business conditions in China and globally and assumptions underlying or related to any of the foregoing. Further information regarding these and other risks is included in Alibaba’s filings with the SEC. All information provided in this presentation is as of the date of this presentation and are based on assumptions that we believe to be reasonable as of this date, and Alibaba does not undertake any obligation to update any forward-looking statement, except as required under applicable law.

This presentation contains certain financial measures that are not recognized under generally accepted accounting principles in the United States (“GAAP”), including Non-GAAP EBITDA, Non-GAAP net income and free cash flow. For a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measures, see GAAP to Non-GAAP Reconciliation.

March Quarter 2015 Highlights

March Quarter 2015 Highlights



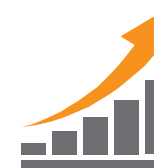
40%

YoY GMV
Growth



350MM

Annual
Active Buyers ⁽²⁾



45%

YoY Revenue
Growth



US\$ 49Bn

Mobile GMV ⁽¹⁾

51% of China
Commerce Retail GMV



40%

Mobile Revenue as a %
of China Commerce
Retail Revenue



289MM

Mobile MAUs ⁽³⁾

Note: Unless otherwise indicated, all figures above are for the three months ended March 31, 2015

(1) Assumes 1 US\$ = 6.1990RMB

(2) For the twelve months ended March 31, 2015

(3) For the month ended March 31, 2015; based on the aggregate mobile MAUs of apps that contribute GMV on our China retail marketplaces

GMV

Quarterly GMV (China Commerce Retail)

(RMB Bn)

YoY
Growth

65%

65%

64%

53%

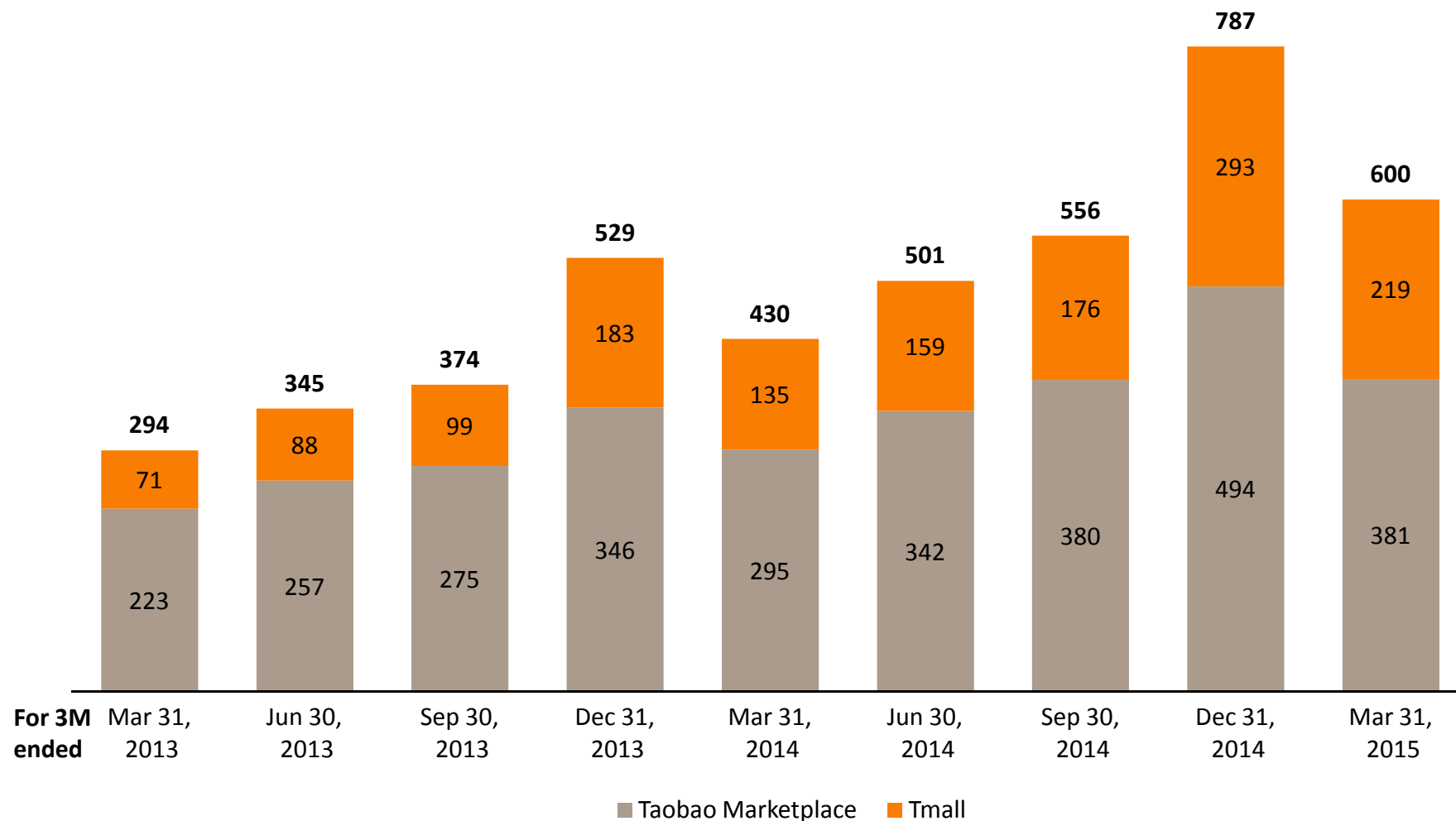
46%

45%

49%

49%

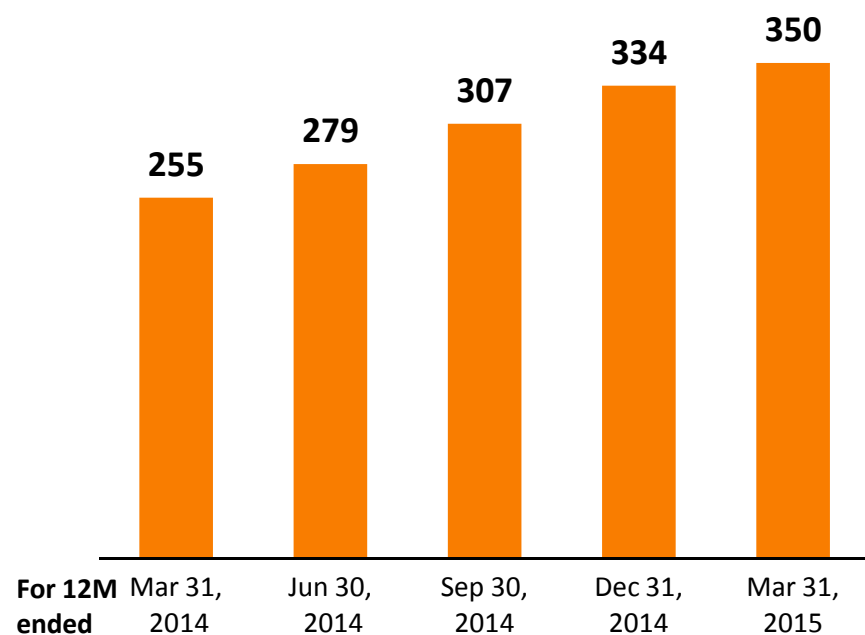
40%



Active Buyers & Mobile MAUs

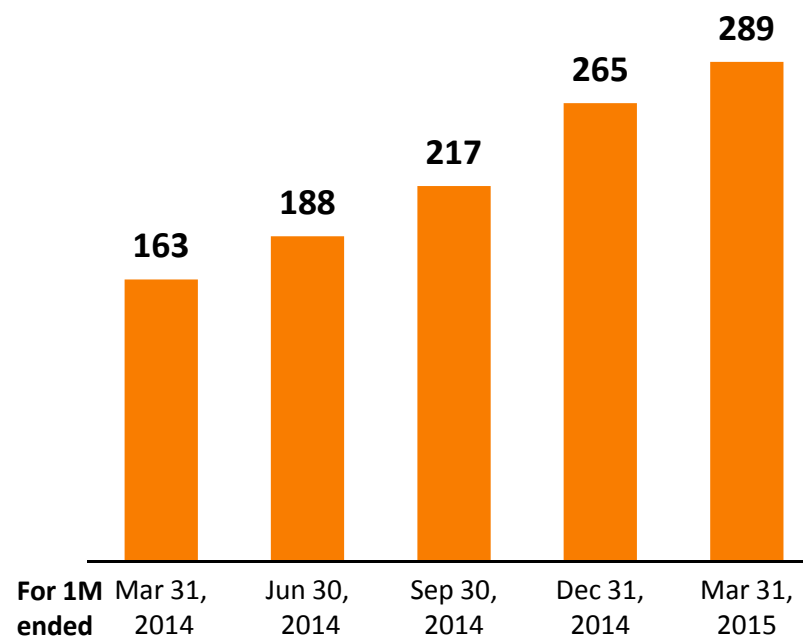
Annual Active Buyers

(In Millions)



Mobile MAUs

(In Millions)

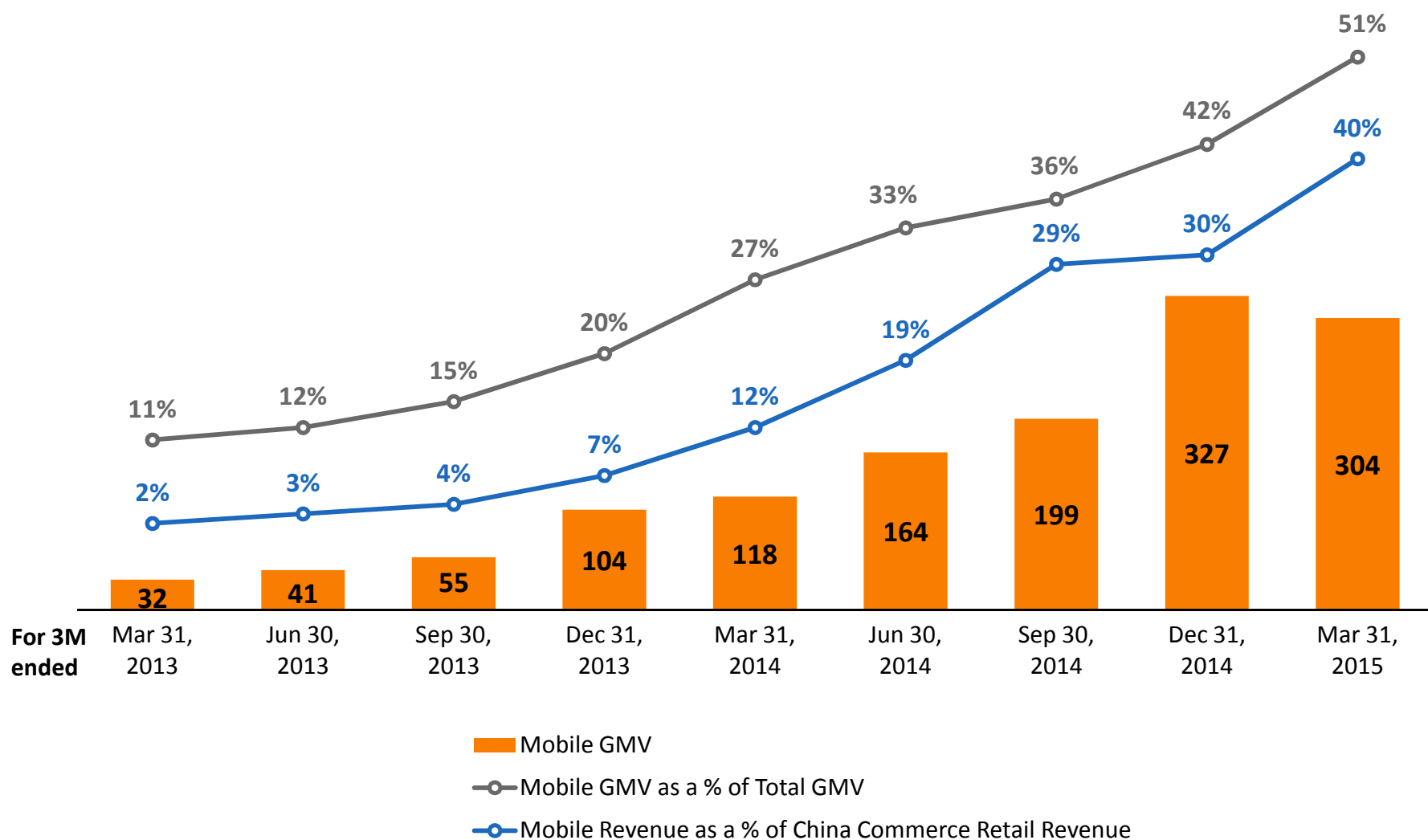


Mobile GMV & Revenue Contribution

Quarterly Mobile GMV, Mobile Revenue and Mobile Penetration (China Commerce Retail)

(RMB Bn)

(%)



Fiscal Year 2015 Business Review

Fiscal Year 2015 Highlights



US\$394Bn

Annual GMV ⁽¹⁾



350MM

Annual
Active Buyers



289MM

Mobile MAUs ⁽²⁾



US\$12.3Bn

Total Revenue ⁽¹⁾



45%

YoY Revenue
Growth



US\$7.8Bn

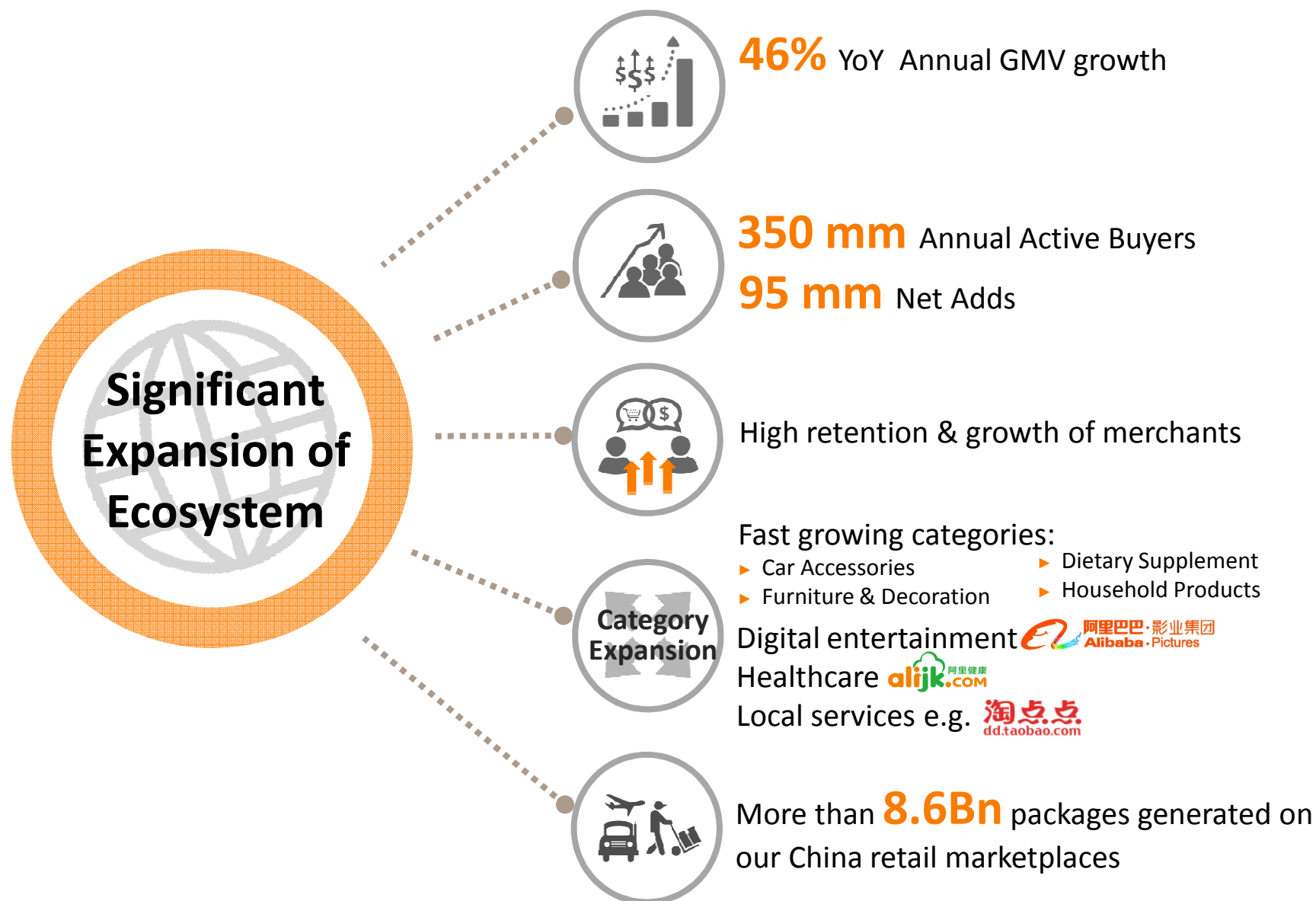
Non-GAAP
Free Cash Flow ⁽¹⁾

Note: Unless otherwise indicated, all figures above are for the twelve months ended March 31, 2015

(1) Assumes 1 US\$ = 6.1990RMB

(2) For the month ended March 31, 2015; based on the aggregate mobile MAUs of apps that contribute GMV on our China retail marketplaces

Fiscal Year 2015 Strategic Highlights



Note: Unless otherwise indicated, all figures above are for the twelve months ended March 31, 2015

Fiscal Year 2015 Strategic Highlights



Mobile: Unrivaed Leadership



289 mm MAU ⁽¹⁾
126 mm Net Adds



US\$160 bn
Annual Mobile GMV ⁽²⁾



Mobile Taobao App
No. 1 e-commerce app
in China

Note: Unless otherwise indicated, all figures above are for the twelve months ended March 31, 2015

(1) For the month ended March 31, 2015; based on the aggregate mobile MAUs of apps that contribute GMV on our China retail marketplaces

(2) Assumes 1 US\$ = 6.1990RMB

Investment in Data & Cloud Technologies



No. 1 cloud services provider in China ⁽¹⁾

Technology improvements increased infrastructure efficiency

Expanded and diversified customer base



Start-up



Government



Enterprise

Note:

(1) Source: IDC Report

Fiscal Year 2015 Strategic Highlights



Pioneered Cross Border E-commerce



- Captured Tmall Global customer mindshare as source of quality products
- Attracted major global brands & retailers to the platform
- Established cross border ecosystem infrastructure

Juicy Couture

COSTCO
WHOLESALE



emart

GENUINE
THERMOS
BRAND

GNC
LIVE WELL

ココロ、カラダに、スタイル。
FRESTA

極度乾燥(しなさい)
Superdry.

NATURE'S BOUNTY
— 自然之寶 —

LA PERLA



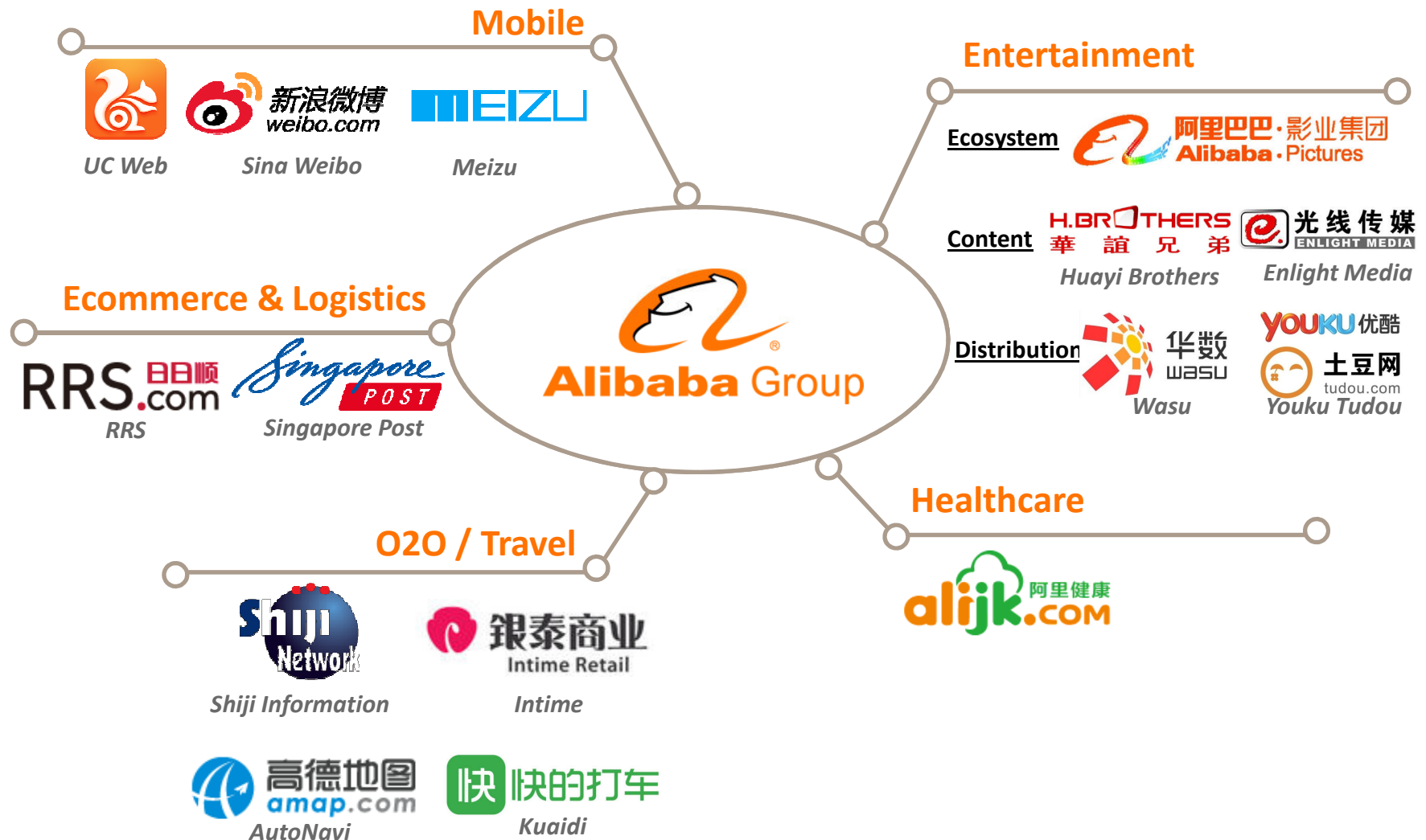
乐天玛特 LOTTE Mart

countdown

KING POWER
KING OF DUTY FREE

Fiscal Year 2015 Strategic Highlights

Strategic M&A, Investment and Alliances



Fiscal Year 2015 & March Quarter 2015 Financial Review

Fiscal Year 2015 Financial Highlights



In millions unless otherwise stated	FY2014	FY2015		YoY
	RMB	RMB	US\$	
Total Revenue	52,504	76,204	12,293	45%
Mobile Revenue	2,905	17,840	2,878	514%
Mobile Revenue as a % of China Commerce Retail Revenue	7%	30%		
Non-GAAP EBITDA	30,731	40,753	6,574	33%
Non-GAAP EBITDA Margin	59%	53%		
Non-GAAP Net Income	28,274	34,981	5,643	24%
Non-GAAP Diluted EPS	12.09	13.97	2.25	16%
Free Cash Flow	32,269	48,121	7,763	49%

Note: Unless otherwise indicated, all figures above are for the twelve months ended March 31

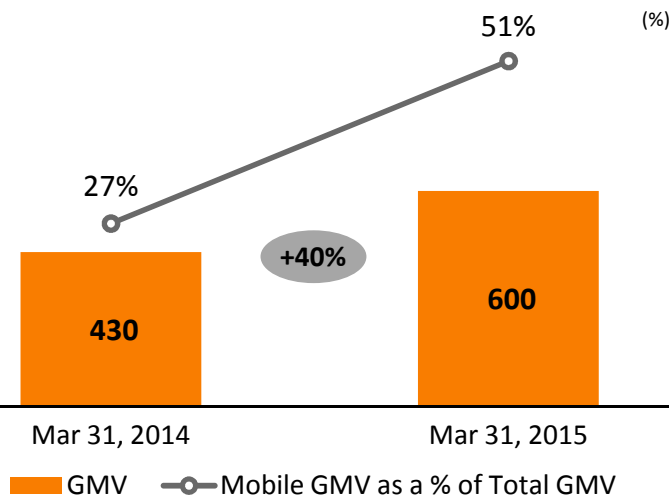
(1) Assumes 1 US\$ = 6.1990 RMB

March Quarter 2015 Financial Highlights



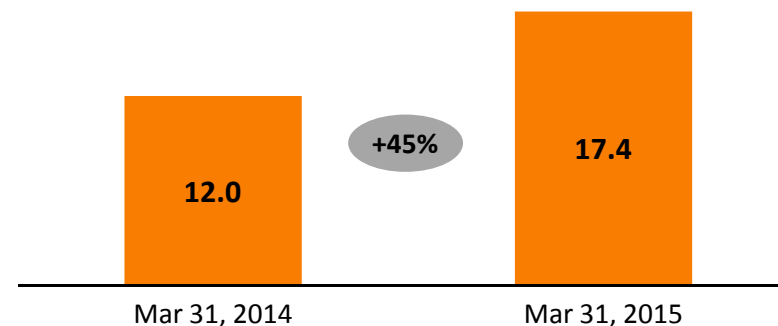
GMV and Mobile Penetration

(RMB Bn)



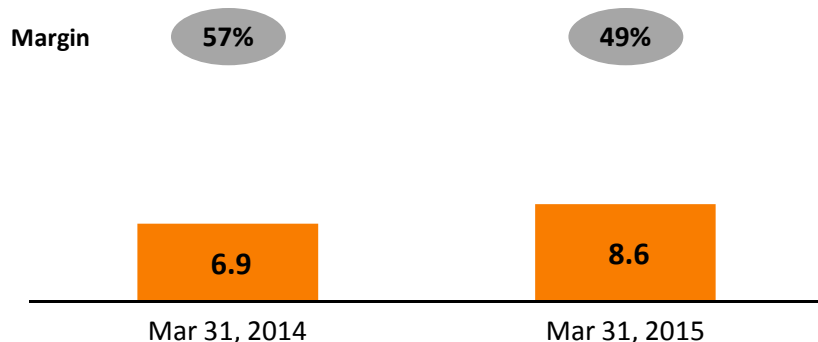
Revenue

(RMB Bn)



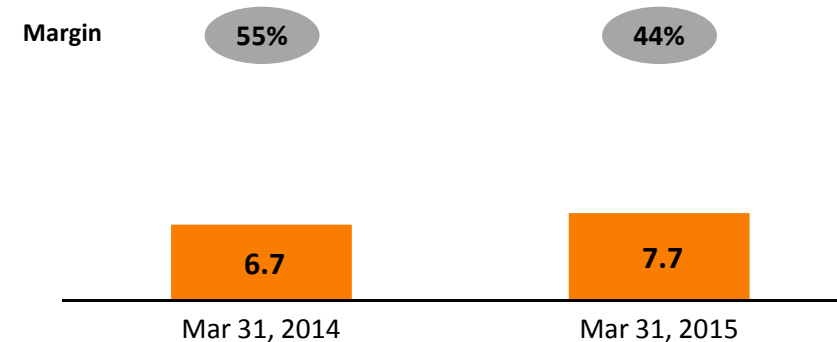
Non-GAAP EBITDA ⁽¹⁾ and Margin

(RMB Bn)



Non-GAAP Net Income ⁽²⁾ and Margin

(RMB Bn)



Note: For the three months ended on the respective dates

(1) Non-GAAP EBITDA represents income from operations (which excludes interest and investment income, net, interest expense, other income, net, income tax expenses and share of results of equity investees) before certain non-cash expenses, consisting of share-based compensation expense, amortization and depreciation that we do not believe are reflective of its core operating performance during the periods presented.

(2) Non-GAAP net income represents net income before share-based compensation expense, amortization, impairment of goodwill, intangible assets and investments, gain (loss) on deemed disposals/disposals/valuation of investments and amortization of excess value receivable arising from the restructuring of commercial arrangements with Ant Financial.

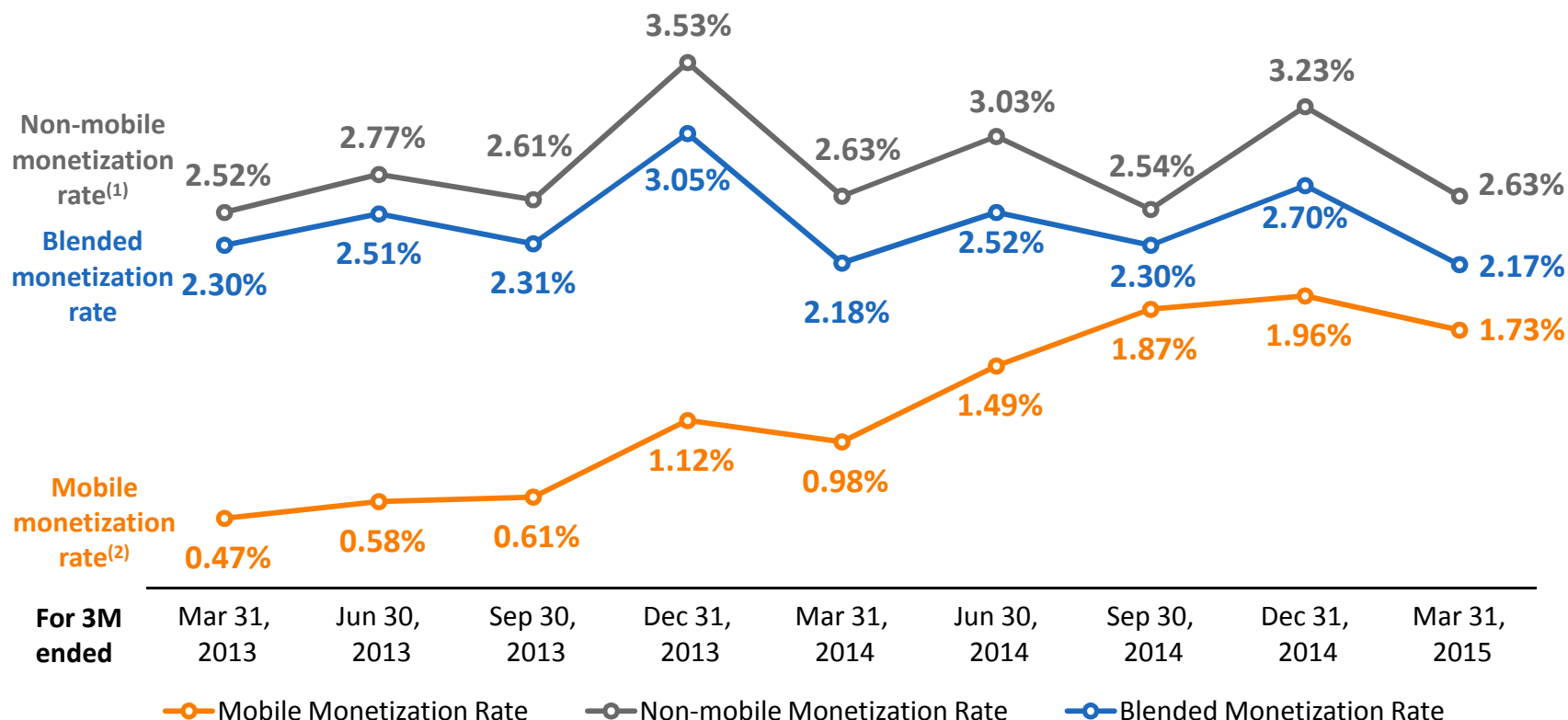
Quarterly Monetization Rate Trends

We manage the business for growth in GMV and active buyers, not for monetization rate

- Blended monetization rate is stable Y/Y
 - Mobile monetization rate is higher Y/Y
- Blended monetization rate is lower sequentially due to business seasonality

Quarterly Monetization Rate (China Commerce Retail)

(%)



Notes:

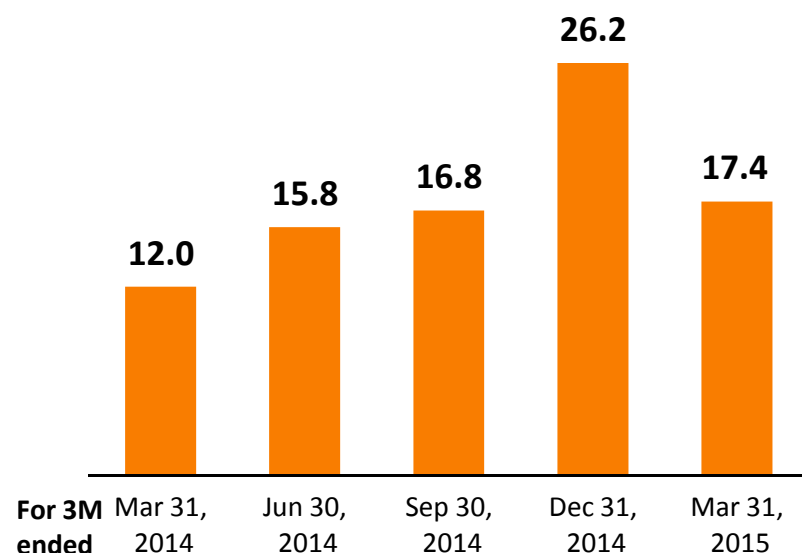
(1) Derived from China commerce retail non-mobile revenue / non-mobile GMV

(2) Derived from China commerce retail mobile revenue / mobile GMV

Quarterly Revenue

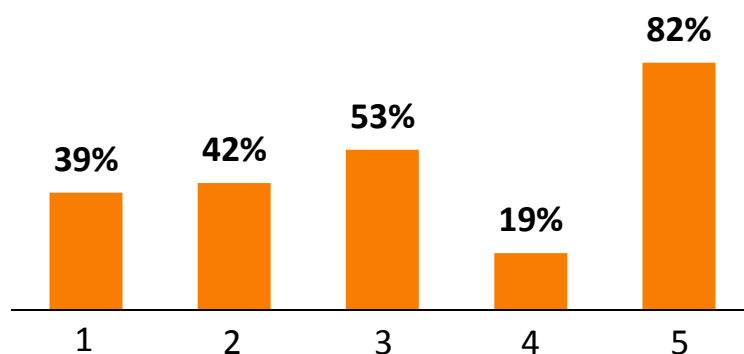
Total Revenue

(RMB Bn)



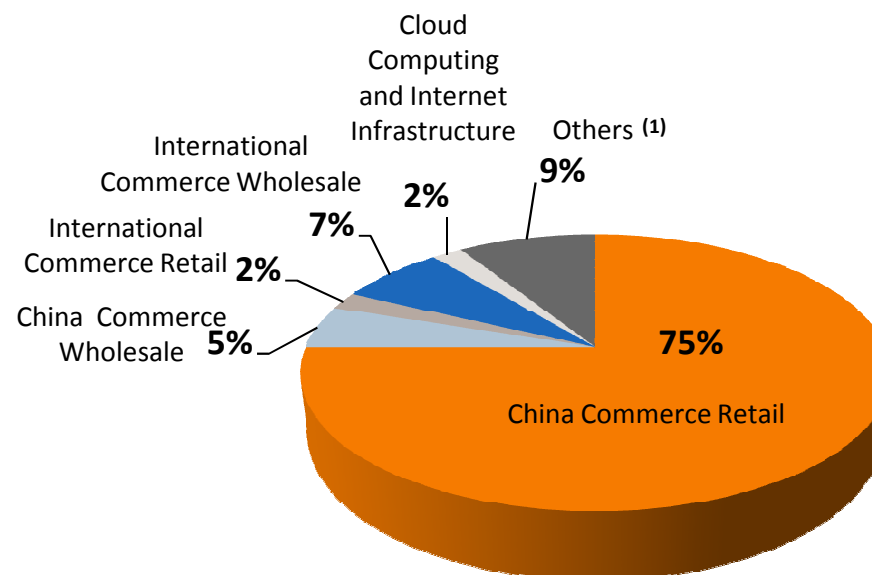
Revenue Growth of Major Businesses

(YoY Growth %)



Revenue Breakdown by Business

(% of Total Revenue)



For 3M ended Mar 31, 2015

(1) Other revenue mainly represents interest income generated from micro loans and revenue generated by UCWeb and AutoNavi. The restructuring of our relationship with Ant Financial completed in the March 2015 quarter, upon which we no longer consolidate revenue generated by the SME loan business in our financial results.

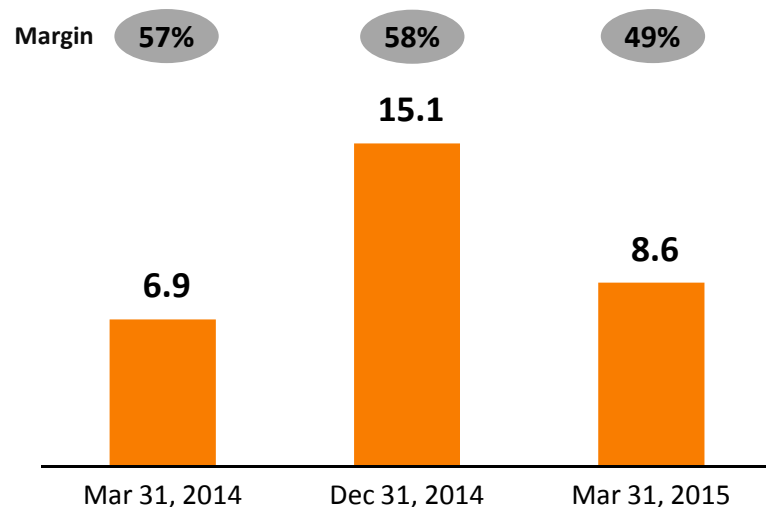
1. China Commerce Retail
2. China Commerce Wholesale
3. International Commerce Retail
4. International Commerce Wholesale
5. Cloud Computing and Internet Infrastructure

Quarterly Margin Trends

- We don't manage to a margin target
- Lower Y/Y non-GAAP EBITDA margin was due to:
 - Consolidation of acquired businesses (mainly UCWeb, AutoNavi) with lower margins
 - Investment in initiatives such as mobile OS, cloud computing, local services and digital entertainment
- We will continue to invest in new and existing businesses to drive long-term growth in GMV, new active buyers, revenue and profit

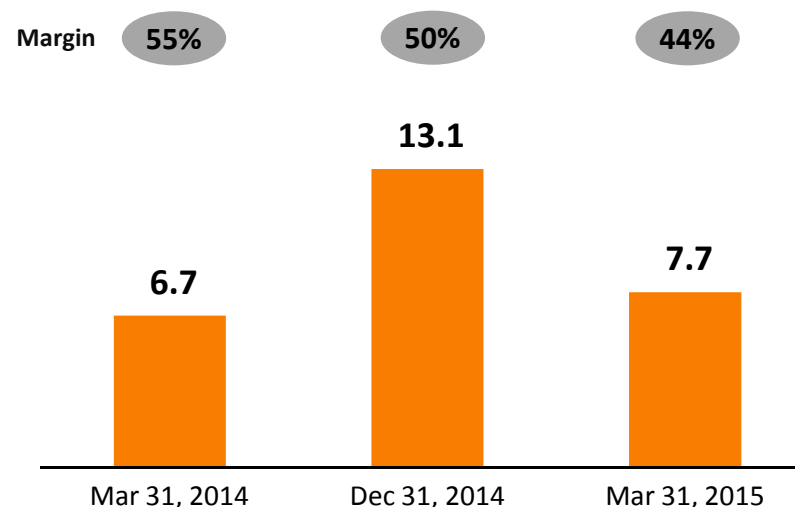
Non-GAAP EBITDA ⁽¹⁾ and Margin

(RMB Bn)



Non-GAAP Net Income ⁽²⁾ and Margin

(RMB Bn)

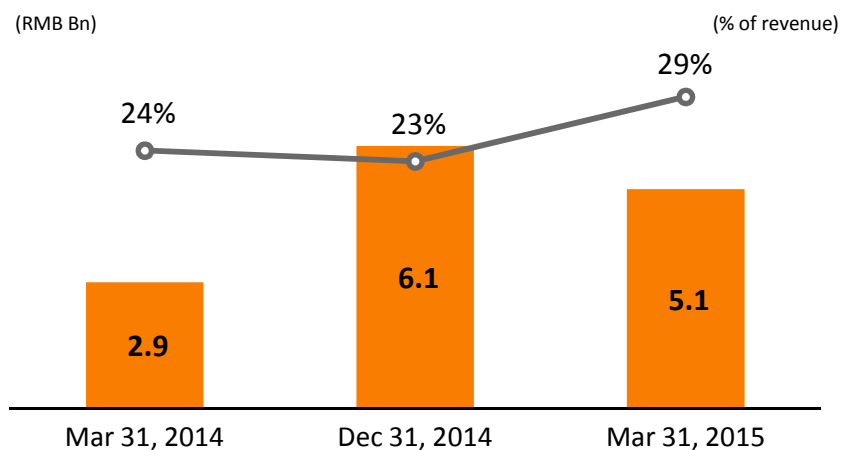


Note: For the three months ended on the respective dates

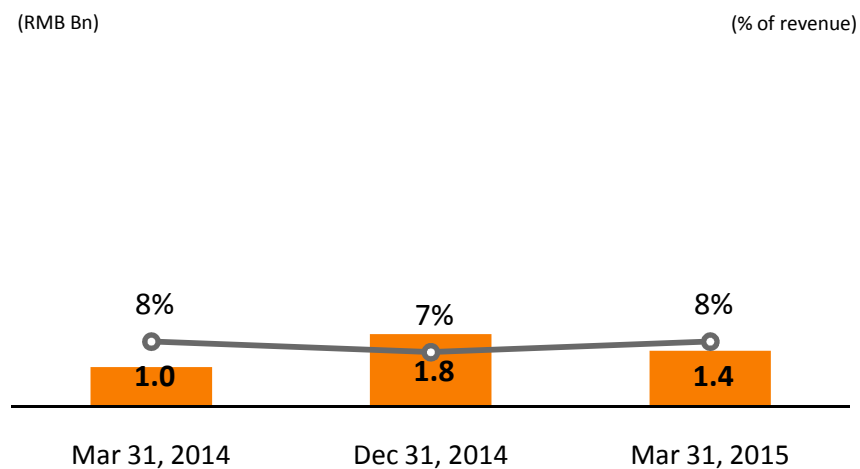
- (1) Non-GAAP EBITDA represents income from operations (which excludes interest and investment income, net, interest expense, other income, net, income tax expenses and share of results of equity investees) before certain non-cash expenses, consisting of share-based compensation expense, amortization, depreciation and impairment of goodwill and intangible assets that we do not believe are reflective of its core operating performance during the periods presented.
- (2) Non-GAAP net income represents net income before share-based compensation expense, amortization, impairment of goodwill, intangible assets and investments, gain (loss) on deemed disposals/disposals/revaluation of investments, amortization of excess value receivable arising from the restructuring of commercial arrangements with Ant Financial, and one-time expense items consisting of the expenses relating to the sale of shares by existing shareholders in our initial public offering and charge for financing-related fees as a result of early repayment of bank borrowings.

Quarterly Cost Trends

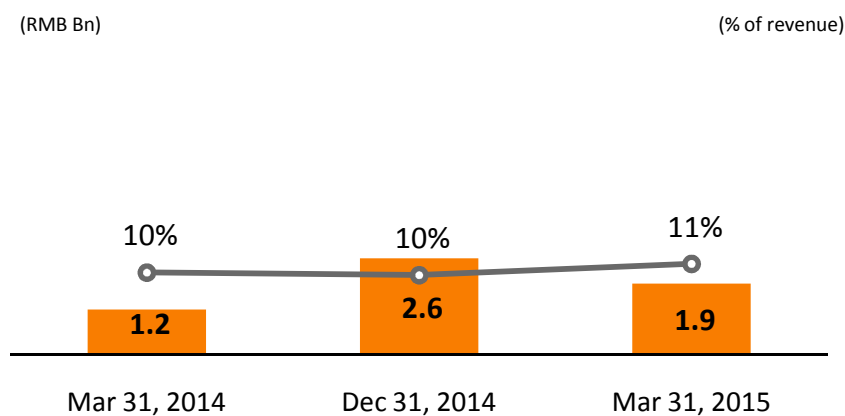
Cost of Revenue (Pre-SBC)



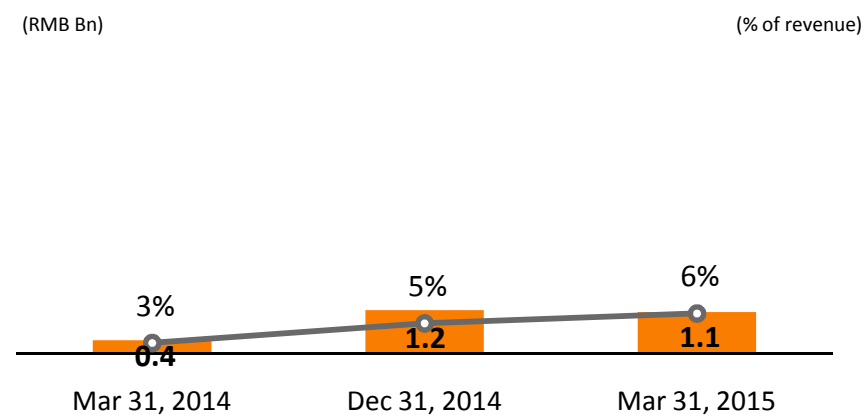
Product Development Expenses (Pre-SBC)



Sales & Marketing Expenses (Pre-SBC)



General & Administrative Expenses (Pre-SBC)



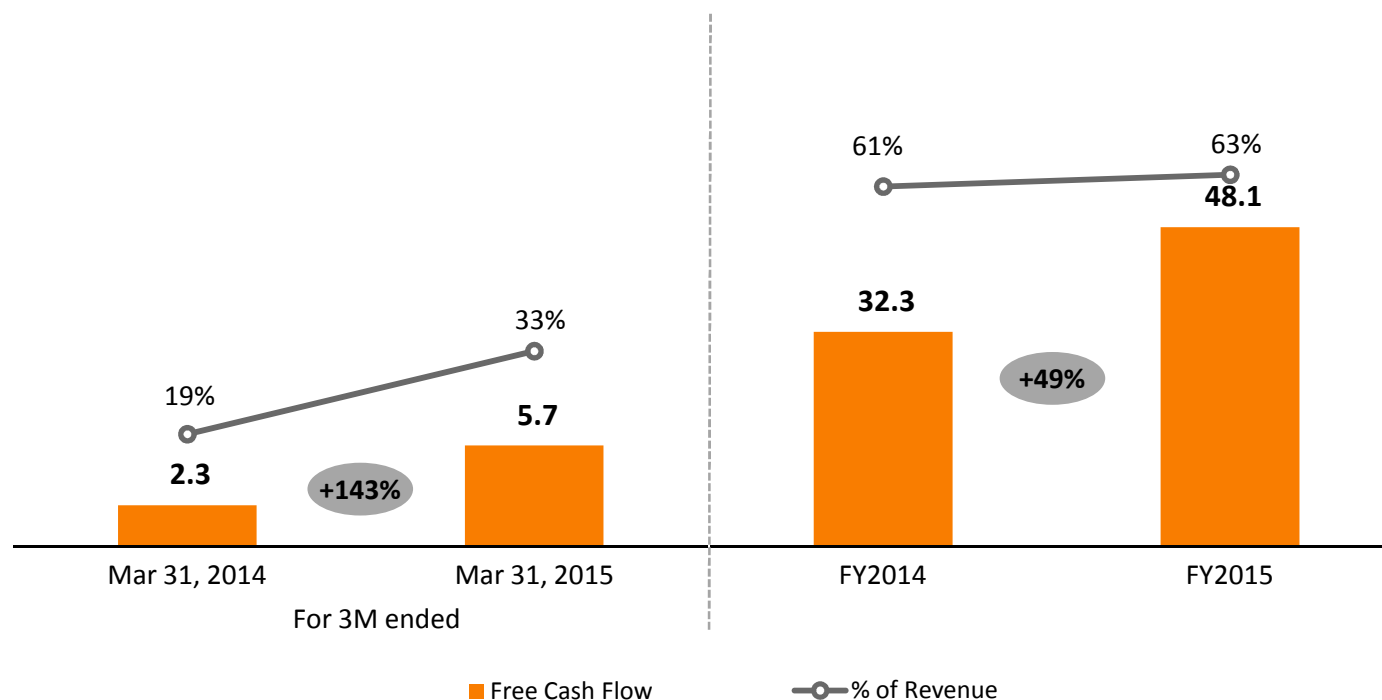
Free Cash Flow

- We enjoy strong cash flow based on our significant earnings and our capital efficient marketplace business model.
- This robust cash flow provides us with the flexibility and confidence to invest in new initiatives to add new users, improve engagement and customer experience and expand our ecosystem.

Free Cash Flow ⁽¹⁾

(RMB Bn)

(%)



Note:

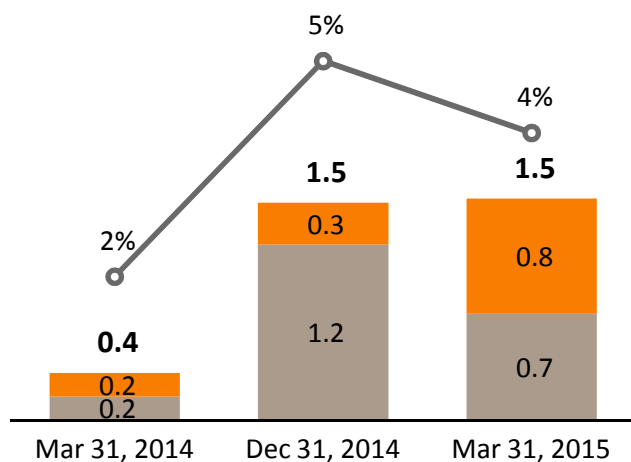
(1) Free cash flow represents net cash provided by operating activities as presented in Alibaba Group's consolidated cash flow statement less purchases of property and equipment and intangible assets (excluding acquisition of land use rights and construction in progress) and adjusted for changes in loan receivables relating to micro loans of its SME loan business.

Capital Expenditures and Cash

Capital Expenditures

(RMB Bn)

(%)



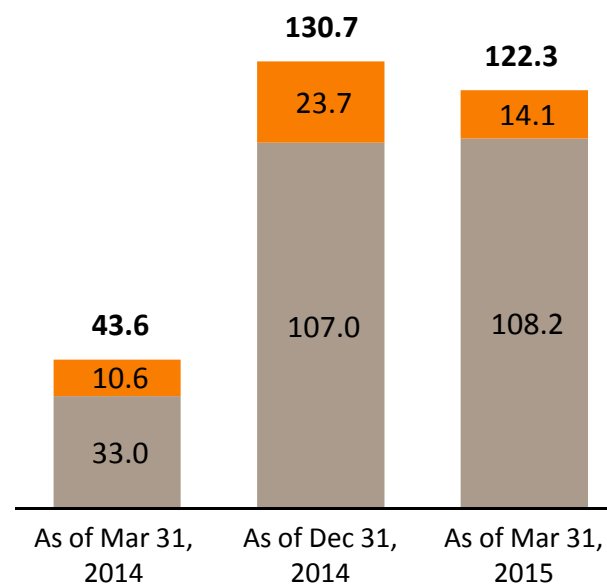
Non-real Estate CAPEX

Acquisitions of Land Use Rights and Construction in Progress

Non-real Estate CAPEX as a % of Revenue

Cash, Cash Equivalents and Short-term Investments

(RMB Bn)



Cash and Cash Equivalents

Short-term Investments

Note: Unless otherwise indicated, all figures in the above charts are for the three months ended on the respective dates

GAAP to Non-GAAP Reconciliation



RMB MM	For the Three Months Ended		
	Mar 31, 2014	Dec 31, 2014	Mar 31, 2015
Non-GAAP EBITDA			
Income from operations	5,451	9,347	2,599
Add: Share based compensation expense	925	4,313	4,632
Add: Amortization of intangible assets	118	614	643
Add: Depreciation and amortization of property and equipment and land use rights	392	654	709
Add: Impairment of goodwill and intangible assets	-	175	-
Non-GAAP EBITDA	6,886	15,103	8,583
Non-GAAP net income			
Net income	5,661	5,983	2,869
Add: Share based compensation expense	925	4,313	4,632
Add: Amortization of intangible assets	118	614	643
Add: Impairment of goodwill, intangible assets and investments	39	1,032	-
Add: (Gain) loss on deemed disposals /disposals/revaluation of investments	(72)	241	(468)
Add: Amortization of excess value receivable arising from the restructuring of commercial arrangements with Ant Financial	-	66	65
Add: Expenses relating to the sale of shares by existing shareholders in initial public offering	-	36	-
Add: One-time charge for financing-related fees as a result of early repayment of bank borrowings	-	830	-
Non-GAAP net income	6,671	13,115	7,741
Free cash flow			
Net cash provided by operating activities	1,800	19,408	5,767
Less: Purchase of property, equipment and intangible assets (excluding land use rights and construction in progress)	(275)	(1,222)	(700)
Add: Changes in loan receivables, net	808	4,738	598
Free cash flow	2,333	22,924	5,665

FY2016 Strategic Priorities

Expand and upgrade existing platform services

- Emphasis on quality growth
- Consumer acquisition and user experience
- Mobile, rural
- Empower merchants to better serve consumers on mobile
- Local services

Develop new business initiatives

- Cloud computing to extend services to broader base of 3rd party customers
- Cross border
- Affiliate marketing network
- Mobile Internet services
- Entertainment

People development

- Culture, organization and leadership



Alibaba Group
阿里巴巴集团

